

REGULAR BOARD OF TRUSTEES MEETING MINUTES

Tuesday, May 27, 2008

Dave Adams called the meeting to order at 10:01a.m. Other Board members present included Don Bennett, Steve Overmeyer, Cari Whicker, and Ryan Kitchell.

TRF staff present included Steve Russo, Tom Davidson, Bob Newland, Tim Walsh, Eric Wright, Bethaney Matlock, Molly Deuberry, and Julia Pogue. Also in attendance were Dave Huffman, Bridget Anderson, Jeffrey Wong, Kristen Moreland, Kiley Enmark, and Frances Marbury.

Dave Adams introduced the newest member of the Board of Trustees, Steve Overmeyer. Steve Russo introduced the Fund's new Chief Investment Officer, Tim Walsh and the Fund's new General Counsel, Eric Wright.

The minutes of the March 25, 2008 meeting were presented. Cari Whicker moved to approve the minutes. Ryan Kitchell seconded the motion. The motion carried.

Steve Russo followed up on ASA questions from a prior Board meeting. Steve noted there are approximately 42,000 inactive ASA accounts. He also discussed the voluntary pre-tax eligibility notification starting on August 1, 2008. This notification correspondence will be mailed to the eligible pre-tax members to inform them that they have a limited amount of time to enroll in the program. Cari Whicker recommended educating the school corporations as well as the members so they can assist members in the enrollment process.

Bob Newland presented the investments update to the Board, and discussed the current Northern Trust contract. The original 5 year contract expired December 31, 2007 and the current contract extension expires June 30, 2008. The Investments staff recommended extending the current Northern Trust contract until December 31, 2008. Don Bennett moved to approve the recommendation of extending the Northern Trust contract and Cari Whicker seconded the motion. The motion carried.

Bob Newland discussed the status of the current investment consultant contract with Callan. The Investments staff recommended extending the current Callan contract until December 31, 2008 to allow time for the Fund's new CIO to assess TRF current needs. Ryan Kitchell moved to approve the recommendation of extending the Callan contract and Cari Whicker seconded the motion. The motion carried.

Julia Pogue presented the financial update to the Board. She stated that each department is responsible for their own budget and a fiscal year budget will be presented at the June Board meeting. Julia also stated that she will have financial updates available on a monthly basis. Ryan Kitchell requested a securities lending presentation at a future Board meeting.

Steve Russo gave a brief overview of KPMG and stated that KPMG was hired to compare/contrast PERF and TRF to determine if it is more feasible for the two agencies to work together or independently. Jeff Wong, Kiley Enmark, Kristen Moreland, and Bridget Anderson from KPMG discussed their business systems study hand-out and answered questions from the Board.

Frances Marbury from Ernst & Young discussed her wage and contributions study and answered questions from the Board.

Steve Russo presented the IT management, support and oversight hand-out to the Board. He discussed TRF's current IT support system and the four IT support options:

- Option #1- Staff internally independent of PERF
- Option #2- Contract IT services to a third party contractor
- Option #3- Mix of options 1 and 2
- Option #4- Establish Shared Services IT organization with PERF

Steve recommended pursuing option #4 to the Board, and the Board supported his recommendation. Steve concluded his presentation by discussing the importance and effectiveness of IT governance.

Molly Deuberry presented her communications and outreach hand-out to the Board. She also handed out samples of correspondence from other pension funds and stated that TRF's correspondence needs to be more consistent. Cari Whicker stated that her concern is that the changes in the correspondence would be merely aesthetic, and she recommended mailing a survey to members to determine if they feel the potential cost is necessary. Steve Russo stated that the primary goal is to improve the content, not just the aesthetics. Steve Russo acknowledged Cari's recommendation for a member survey.

Steve Russo presented the Executive Director's report to the Board. He reported the Q1 metrics results, discussed TRF success stories, discussed the CEM benchmarking report, and discussed TRF's organizational development.

The June Board meeting was set for June 24, 2008 at 10:00a.m.

There being no additional business, Dave Adams moved to adjourn the meeting. Ryan Kitchell seconded the motion. The meeting adjourned at 12:20p.m.